

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re: Chapter 11
Case Nos. 01-30135 (RG) and 01-38790 (RG)
G-I Holdings Inc., et al, (Jointly Administered)

Debtors.

_____/

UNITED STATES OF AMERICA
Plaintiff,

and

THE STATE OF VERMONT,
Plaintiff-Intervenor,

v. Adversary Proceeding No. 08-2531 (RG)

G-I HOLDINGS INC., et al.,
Defendants.

_____/

CONSENT DECREE AND SETTLEMENT AGREEMENT

TABLE OF CONTENTS

I. JURISDICTION AND VENUE.....	9
II. APPLICABILITY	9
III. DEFINITIONS.....	10
IV. ESTABLISHMENT OF VAG SITE INJUNCTIVE TRUST.....	15
V. CAA AND RCRA INJUNCTIVE RELIEF AT THE VAG SITE	18
A. Installation and Maintenance of Perimeter Gates and Fencing.	18
B. Installation of “Jersey” Barriers.....	19
C. Security of On-Site Buildings.....	19
D. VAG Site Security Guard.....	20
E. Installation and Operation of Meteorological Stations.	21
F. Installation and Operation of Air Monitoring Stations.	22
G. Dust Suppression.	22
H. Investigation of Off-Site Transport, Sale, and Use of Mine Tailings and Crushed Rock..	22
I. Acceptance of Work.....	24
VI. TERMS APPLICABLE TO FEDERAL AND STATE VAG MONETARY CLAIMS.....	25
VII. MECHANISM FOR PAYMENT OF FUTURE VAG RESPONSE COSTS	30
A. Future VAG Response Costs.....	30
B. Future Vermont Response Costs.	32
VIII. TERMS APPLICABLE TO THE FEDERAL AND STATE VAG NATURAL RESOURCE DAMAGE CLAIMS.....	35
IX. TERMS APPLICABLE TO FEDERAL MONETARY CLAIMS AT THE GENERATOR SITES.....	36
X. TERMS APPLICABLE TO FEDERAL MONETARY CLAIMS FOR LINDEN SITES.....	39
XI. VAG SITE RECORDKEEPING AND REPORTING REQUIREMENTS.....	39
XII. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS FOR THE VAG SITE.....	40
XIII. FORCE MAJEURE	41
XIV. DISPUTE RESOLUTION	43
XV. VAG SITE INFORMATION COLLECTION AND RETENTION	46

XVI. COSTS.....	48
XVII. NOTICES	48
XVIII. COVENANTS BY THE UNITED STATES.....	50
A. Section 303 of the CAA and Section 7003 of RCRA.....	50
B. Covenant Not to Sue.....	50
C. G-I's and ACI's Chapter 11 Plan and the United States' Proof of Claim.	51
XIX. COVENANTS BY VERMONT	52
XX. RESERVATION OF RIGHTS.....	53
XXI. G-I's COVENANTS	54
A. G-I's Covenants to the United States.....	54
B. G-I's Covenants to Vermont.....	55
XXII. CONTRIBUTION PROTECTION	56
XXIII. RETENTION OF JURISDICTION	56
XXIV. MODIFICATION	57
XXV. PUBLIC PARTICIPATION	57
XXVI. SIGNATORIES/SERVICE	57
XXVII. INTEGRATION.....	58
XXVIII. FINAL JUDGMENT.....	59
XXIX. TERMINATION OF INJUNCTIVE RELIEF PROVISIONS.....	59
XXX. ATTACHMENTS	60

WHEREAS on January 5, 2001, G-I Holdings Inc. (“G-I”) commenced a voluntary case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”). G-I is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business located at 1361 Alps Road, Wayne, New Jersey 07470. On August 3, 2001, G-I’s subsidiary, ACI Inc. (“ACI”) commenced a voluntary case under chapter 11 of the Bankruptcy Code. Thereafter, an order directing the joint administration of the G-I’s and ACI’s chapter 11 cases was entered on October 10, 2001. The cases are administered under the caption In re G-I Holdings Inc., et al. (f/k/a/ GAF Corporation), Case Nos. 01-30135 and 01-38790 (RG) (Jointly Administered) (the “Bankruptcy Cases”). G-I and ACI continue to be authorized to operate their businesses and to manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

WHEREAS, Plaintiff, the United States of America (“United States”), by the authority of the Attorney General of the United States, and acting at the request of the Administrator of the United States Environmental Protection Agency (“EPA”), filed an Adversary Complaint (the “Complaint”) on November 5, 2008, against G-I for declaratory and injunctive relief pursuant to the Declaratory Judgment Act, 28 U.S.C. § 2201(a); Section 303 of the Clean Air Act (“CAA § 303”), 42 U.S.C. § 7603; and Section 7003 of the Solid Waste Disposal Act, commonly known as the Resource Conservation and Recovery Act (“RCRA § 7003”), 42 U.S.C. § 6973, in connection with the Vermont Asbestos Group Mine Site (“VAG Site”) in Lowell and Eden, Vermont;

WHEREAS, the Complaint requested that the Court direct G-I to take immediate action at the VAG Site to abate conditions that the United States alleges present, or may present, an

imminent and substantial endangerment to public health, welfare, and the environment, within the meaning of CAA § 303 and RCRA § 7003 and implementing federal and state regulations;

WHEREAS, the State of Vermont (“Vermont”) has worked cooperatively with the United States in seeking injunctive relief at the VAG Site, has alleged causes of action and claims that share a common question of law or fact with the United States’ causes of action and claims, and desires to resolve its claims against G-I through participation as a party in this Consent Decree and Settlement Agreement (the “Consent Decree”);

WHEREAS, the Ruberoid Company (“Ruberoid”) merged into the General Aniline & Film Corporation in 1967, and in 1971, General Aniline changed its name to GAF Corporation (“GAF”). GAF Corporation liquidated in 1989 and transferred its building material and roofing assets and liabilities to Edgecliff Inc. G-I is the successor in interest to Edgecliff Inc.;

WHEREAS, in its Complaint, the United States alleges that from 1936 to 1975, G-I’s predecessors mined and milled asbestos at the VAG Site by mechanically separating asbestos fibers that are embedded in ore-bearing rock and that a significant portion of the Site acreage is contaminated by asbestos-containing waste rock and mill tailings that accumulated during G-I’s predecessors’ operation and under their direction, and further alleges that prior to the sale of the property, G-I’s predecessors failed to take significant action to mitigate or minimize the ongoing environmental and public health consequences of its milling and disposal practices;

WHEREAS, the United States alleges that G-I is liable pursuant to CAA § 303 and RCRA § 7003 and state environmental law as a prior owner and operator of a pollution source; as a person causing or contributing to the alleged pollution; and/or as a person responsible for the past handling, storage, and disposal of solid waste and has requested that this Court enjoin G-I to take immediate action to abate the alleged endangerment to public health, welfare, and the

environment posed by the VAG Site;

WHEREAS, the United States, on behalf of EPA, the United States Department of the Interior (“DOI”), and the National Oceanic and Atmospheric Administration (“NOAA”) contends that G-I is liable under the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 U.S.C. § 9601 et seq., for response costs and natural resource damages incurred and to be incurred by the United States in the course of responding to releases and threats of releases of hazardous substances into the environment at (i) the VAG Site; (ii) the GAF Chemicals Site, the LCP Chemicals Inc. Superfund Site, and the Diamond Alkali Site (collectively, the “Linden Sites”); and (iii) eight additional Sites where G-I is alleged to be a generator (collectively, the “Generator Sites”), each as further described in Attachment 1 (the “Site Inventory”), attached and incorporated herein by reference;

WHEREAS, on October 14, 2008, the United States filed in the Bankruptcy Cases its Proof of Claim and Protective Proof of Claim of the United States of America, on Behalf of the United States Environmental Protection Agency, the National Oceanic And Atmospheric Administration, and the United States Department of the Interior, Fish and Wildlife Service (Claim No. 1509) (the “US Proof of Claim”), which Proof of Claim asserted a claim for the costs and damages described in the prior paragraph (the “US Monetary Claim”);

WHEREAS, the US Proof of Claim states the United States’ position that G-I is required by law to perform the injunctive relief sought in the Complaint;

WHEREAS, Vermont contends that G-I is liable (i) under CERCLA for response costs and natural resource damages incurred and to be incurred by Vermont in the course of responding to releases and threats of releases of hazardous substances into the environment at and from the VAG Site, (ii) under 10 V.S.A. §§ 1259, 1274, 6601a, 6615 and 6616 for the costs of

investigation, removal and remedial action incurred and to be incurred in the course of responding to releases and threats of releases of hazardous materials into the environment and to the unauthorized discharge of waste into waters of the State at and from the VAG Site, and (iii) for public property destroyed, damaged or injured by the release of hazardous materials and the unauthorized discharge of waste into waters of the State at and from the VAG Site;

WHEREAS, Vermont filed in the Bankruptcy Cases proofs of claim (Claim Nos. 1157, 1158 and 1159) (the “Vermont Proofs of Claim”) for the costs and damages described in the prior paragraph (the “Vermont Claim”);

WHEREAS, G-I disputes the amount and the basis for the United States’ and Vermont’s Proofs of Claim, and, but for this Consent Decree, would object to the Proofs of Claim, in whole or in part;

WHEREAS, G-I and ACI deny any liability to the United States, EPA, DOI, NOAA, the State of Vermont or any other federal or state agency arising out of the transactions or occurrences alleged in the US Proof of Claim, the Vermont Proof of Claim , the Complaint, or any other submission, filing, or document prepared by the United States or the State of Vermont in connection with this proceeding and denies that conditions at or emanating from the VAG Site present or may present an imminent and substantial endangerment to public health, welfare, or the environment;

WHEREAS, upon being informed of the United States’ allegations, G-I has worked cooperatively with the United States and Vermont to reach the settlement set forth in this Consent Decree and to determine and implement abatement measures at the VAG Site in an expedited manner and without resort to litigation;

WHEREAS, the United States, Vermont, and G-I (“the Parties”) recognize, and the Court

by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith and at arm's length, and is fair, reasonable, consistent with the goals of the CAA, RCRA, CERCLA, and their implementing regulations, and that its entry is in the best interests of the Parties and is in the public interest;

NOW, THEREFORE, before the taking of any testimony, without the adjudication or admission of any issue of fact or law except as provided in Section I (Jurisdiction and Venue), and with the consent of the Parties,

IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action pursuant to Section 303 of the Clean Air Act, 42 U.S.C. § 7603; Section 7003 of RCRA, 42 U.S.C. § 6973; Sections 107(a), 107(f) and 113(b) of CERCLA, 42 U.S.C. §§ 9607(a), 9607(f) and 9613(b); and 28 U.S.C. §§ 1331, 1345, 1355 and 1367, and over the Parties. By appearing and asserting claims in this proceeding, Vermont has submitted to the jurisdiction of this Court for all purposes related to this Consent Decree, including any proceedings to enforce this Consent Decree or to resolve any disputes arising under this Consent Decree, and has waived any objections to jurisdiction based on sovereign immunity or the Eleventh Amendment.

2. Venue is proper in the District of New Jersey pursuant to Section 303 of CAA, 42 U.S.C. § 7603; Section 113(b) of CERCLA, 42 U.S.C. § 9613(b); and 28 U.S.C. §§ 1391(b), § 1391(c), and 1395(a), because G-I conducts business in this district and has sought bankruptcy protection here.

II. APPLICABILITY

3. The obligations of this Consent Decree apply to and are binding upon the United States, the State of Vermont, and G-I, as defined herein, and to any of G-I's successors and assigns.

4. In any action to enforce this Consent Decree, G-I shall not raise as a defense the failure by any of its officers, directors, employees, agents, contractors, or corporate affiliates or subsidiaries to take any actions necessary to comply with the provisions of this Consent Decree that are applicable to such person unless or except as provided in Section XIII (Force Majeure).

III. DEFINITIONS

5. Terms Defined by Statute and/or Regulation. Terms used in this Consent Decree that are defined in the CAA, CERCLA, RCRA, the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., and Vermont state statutes, or in federal and state regulations promulgated pursuant to those statutes and shall have the meanings assigned to them there, unless otherwise provided in this Consent Decree. In the event that a term is defined in both federal and Vermont statutes or regulations, the term shall have the meaning provided by federal law.

6. Other Defined Terms. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

a. “Additional Sites” shall mean those Sites, including but not limited to the Sites listed on Attachment 5, for which G-I or its predecessors received a notice of liability, request for information, or reached a settlement with the United States or other responsible party prior to the Lodging Date.

b. “Allowed General Unsecured Claim” shall mean a non-priority, general unsecured claim against G-I in the Bankruptcy Cases that is not subject to objection and is allowed in accordance with the provisions of the Bankruptcy Code.

c. “ANR” shall mean the Vermont Agency of Natural Resources.

d. “Asbestos product” shall mean milled and friable asbestos.

e. “Linden Agreement” shall mean the agreement, dated _____, and attached hereto as Attachment 6, whereby ISP Environmental Services, Inc. (“IES”) acknowledged any and all environmental liabilities of G-I, ACI, GAF, GAF Chemicals Corporation, or their subsidiaries and affiliates to the United States for the Linden Sites, subject to IES’s defenses and conditioned upon the United States’ consideration as stated in the Linden Agreement.

f. “Day” shall mean a calendar day unless expressly stated to be a business day. In computing any period of time under this Consent Decree, when the last day would fall on a Saturday, Sunday, federal holiday, or Vermont holiday the period shall run until the close of business of the next business day.

g. “Dollars” means United States dollars and, when used in connection with payment obligations means, unless otherwise specified, payment of the full amount specified without discounting.

h. “Generator Sites” shall mean the sites at which G-I has been identified as a potentially responsible party listed in Paragraph 62 of this Consent Decree.

i. “G-I” shall mean G-I Holdings Inc.

j. “G-I Affiliated Entities” shall mean the entities listed on Attachment 5 to this Consent Decree

k. “Interest” shall mean the statutory rate of interest set forth at 26 U.S.C. § 9507, compounded annually on October 1 of each year.

l. “Linden Sites” shall mean the GAF Chemicals Site, the LCP Chemicals Inc. Superfund Site, and the Diamond Alkali Site.

m. “Lodging Date” shall mean the later of (i) the date that this Consent Decree and Settlement Agreement is initially filed by the United States with the Bankruptcy Court prior to the commencement of the public comment period required by Section XXV hereof, or (ii) the date that the Bankruptcy Court approves G-I’s entry into this Consent Decree and authorizes G-I to undertake those obligations set forth therein which are tied to the Lodging Date.

n. “Monetary Claims” shall mean all claims by the United States or Vermont against G-I for past or future response costs or Natural Resource Damages (including assessment costs)

incurred at or in connection with (i) the VAG Site, (ii) the Linden Sites or (iii) the Generator Sites, but shall not include payments by G-I to the trust as required by Paragraph 10.

o. “National Contingency Plan” or “NCP” shall mean the National Oil and Hazardous Substances Contingency Plan codified at 40 C.F.R. pt. 300.

p. “On-Site Log” shall mean a written daily log maintained by the VAG security guard that contains notations of daily and periodic activity, inspection results, and personal observations of the condition of the VAG Site.

q. “Paragraph” shall mean a portion of this Consent Decree identified by an Arabic numeral.

r. “Part” shall mean a portion of the Consent Decree identified by a capital letter.

s. “

t. “Plan Effective Date” shall mean the effective date of any plan of reorganization for G-I and ACI that is confirmed by the Bankruptcy Court.

u. “Preliminary Period” shall mean the period commencing 15 days after the Lodging Date and ending on the last day of the calendar month in which the Plan Effective Date occurs.

v. “Preliminary Period Contribution” shall mean funding provided to the Trust by G-I during the Preliminary Period. The Preliminary Period Contribution shall not exceed \$350,000, including the \$50,000 Initial Contribution required by Paragraph 10.a.

w. “Section” shall mean a portion of this Consent Decree identified by a Roman numeral.

x. “Settlement Year” for numbers greater than one shall mean the twelve month period commencing on the first day following the conclusion of the prior Settlement Year.

y. “Settlement Year One” shall mean the one year period commencing on January 1, 2010.

z. “Site” shall mean and include (i) for those sites now or hereafter included on the National Priorities List (“NPL”), all areas of the site as defined by EPA for purposes of the NPL, including any later expansion of such site as may be determined by EPA, and any affected natural resources, or (ii) for those sites or portions of sites not included on the NPL, all areas and natural resources affected or potentially affected by the release or threatened release of hazardous substances.

aa. “Statement of Work” or “SOW” shall mean the Statement of Work attached as Attachment 2 to this Consent Decree and incorporated herein.

bb. “Trust Administrative Costs” shall mean the costs of administering the Injunctive Trust and not any of the costs incurred in connection with the Work required under this Consent Decree and the SOW. Trust Administrative Costs shall include the Trustee’s fees and out of pocket expenses, the necessary costs of accountants or lawyers retained to advise the Trustee, and the costs of any insurance procured by the Trustee.

cc. Trust Agreement means the “Custodial Trust Agreement for the Vermont Asbestos Group Site” attached as Attachment 4 to this Consent Decree and fully incorporated by reference herein.

dd. “Trustee” shall mean the individual(s) designated by G-I, with the approval of EPA in consultation with the State of Vermont, to administer the Injunctive Trust.

ee. “United States” shall mean, individually and collectively, the United States and each of its agencies, including without limitation the Environmental Protection Agency (“EPA”), the

United States Department of the Interior (“DOI”), and the National Oceanic and Atmospheric Administration (“NOAA”).

ff. “VAG Future Response Costs” shall mean all costs, including but not limited to direct and indirect costs, that the United States, on behalf of EPA or DOJ, or Vermont incur after October 15, 2008 in connection with the VAG Site. VAG Future Response Costs shall include all costs not inconsistent with the NCP, which may include, but are not limited to, payroll costs, costs incurred by the United States or Vermont and their representatives (including contractors) under or in connection with a contract or arrangement for technical assistance in connection with the VAG Site, travel costs, laboratory costs, enforcement costs, community relations costs, enforcement and legal support costs, records management costs, technical support costs, interagency and intergovernmental agreement costs (including ATSDR costs), costs under a cooperative agreement with the State, and data management costs.

gg. “VAG Future Response Cost Claim” shall mean the claims of the United States and the claims of the State of Vermont, under CERCLA or any other federal or state law, for reimbursement of VAG Future Response Costs.

hh. “VAG NRD Claims” shall mean the claims of (i) the United States on behalf of DOI and (ii) the State of Vermont, under CERCLA and/or any other federal or state law, including common law, for damages to natural resources resulting from or relating to the VAG Site.

ii. “VAG NRD Trustees” shall mean DOI and the State of Vermont.

jj. “VAG Site shall mean EPA I.D. # 0 1ED, and shall also include all locations where materials generated or created at EPA I.D. # 0 1ED have come to be located.

kk. “VAG Site Map” means that map of the VAG Site depicting, among other things, locations at which certain Work shall be performed, attached as Attachment 3 to this Consent Decree and fully incorporated by reference herein.

ll. “Work” shall mean all injunctive relief activities G-I or the Trust is required to perform under this Consent Decree and the SOW.

IV. ESTABLISHMENT OF VAG SITE INJUNCTIVE TRUST

7. By no later than five days following the Lodging Date, G-I shall establish an Injunctive Trust (the “Trust” and/or “Trustee”) to accomplish the Work required pursuant to Section V of this Consent Decree and fund the Trust in accordance with Paragraph 10. The Trust shall select and utilize one or more designated contractors (“Contractor”) to implement the Work. G-I’s selection of the Trustee and the Trustee’s selection of the Contractor(s) shall be subject to written approval by EPA, in consultation with Vermont. The Trust shall perform all Work required by the SOW, and such Work shall be performed in accordance with the SOW. G-I shall provide funds to the Trust on a periodic basis, as provided in Paragraph 10 and in the Trust Agreement, to allow the Trust to timely and fully meet its obligations pursuant to this Consent Decree. All activities undertaken by the Trust pursuant to the Trust Agreement shall be performed in accordance with the requirements of all applicable federal and state laws and regulations.

8. The United States and Vermont have agreed to G-I’s proposed use of the Trust solely as a means for securing the Work and solely for the purposes of settlement. The proposed use of a trust by G-I shall in no way convert the United States’ CAA § 303 and RCRA § 7003 causes of action into monetary claims, and in the event that this Consent Decree is not approved for any

reason, nothing herein shall be construed as a waiver of the United States' or Vermont's rights to pursue any injunctive causes of action they may have against G-I.

9. G-I's only obligations with respect to the Trust and the Work shall be to (i) establish the Trust and select the Trustee, subject to approval by EPA in consultation with Vermont; (ii) fund the trust in accordance with Paragraph 10; and (iii) to undertake the tasks specifically assigned to G-I in Part V.H. G-I, EPA, and VANR shall not be or be deemed to be owners, operators, trustees, partners, agents, shareholders, officers, or directors of the Trust. The Trust shall not be deemed to be the successor to any liabilities of G-I or of any other person, provided that the foregoing shall not affect the Trust's obligations under this Consent Decree to perform the Work.

10. G-I shall provide funding to the Trust for purposes of implementing the Work under Section V ("CAA and RCRA Injunctive Relief at the VAG Site"), as set forth below:

a. Upon the establishment of the Trust, G-I shall transfer an Initial Contribution of \$50,000 to the Trust.

b. Within fourteen days of the Lodging Date, the Trustee shall prepare a plan for the Work to be performed during the Preliminary Period, including an estimate of the cost of performing the Work planned for the Preliminary Period, and shall submit the plan to EPA for review and approval in accordance with Section XII. While EPA is reviewing the plan, the Trust shall diligently proceed to make all necessary preparations for performance of the Work. Within seven days of EPA's approval of the plan and the Trustee's certification that the Trust is ready and able to perform the Work planned for the Preliminary Period, including having the necessary contractors, permits, and all other preconditions for commencing the planned Work in place, G-I shall transfer funds to the Trust equal to the estimate for performing the Work planned for the

Preliminary Period less the balance of funds held by the Trust as of the date of the certification.

In no event shall G-I's total obligation to fund Work during the Preliminary Period, including the Initial Contribution, exceed \$350,000, exclusive of Trust Administrative Costs.

c. After the Preliminary Period, G-I shall be obligated to continue funding the Injunctive Trust as set forth and subject to the limitations in the Trust Agreement and as limited by the maximum funding obligations set forth in Paragraph 10.d through 10.k.

d. During Settlement Year One, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to the amount of \$1,000,000 less such amounts as were funded to the Trust during the Preliminary Period. Thus, if \$350,000 in funding is provided by G-I to the Trust during the Preliminary Period, the maximum funding G-I shall be obligated to provide to the Trust for Settlement Year One shall be \$650,000.

e. During each of Settlement Years Two, Three, Four, Five, Six and Seven, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to an annual cost cap of \$1,000,000.

f. During Settlement Year Eight, G-I's obligation to provide funding to the Trust, other than for Trust Administrative Costs, shall be limited to \$750,000.

g. Except as set forth in Paragraph 10.k, once the annual cost caps set forth above have been reached, G-I shall be under no further obligation to provide funding to the Injunctive Trust for that Settlement Year.

h. G-I's obligation under this Consent Decree to provide funding to the Trust for Site Security under Part C below shall be subject to an aggregate cost cap of \$250,000.

i. G-I's obligation under this Consent Decree to provide funding to the Trust for Air and Meteorological Monitoring and Dust Suppression under Parts E through G below shall be subject to an aggregate cost cap of \$2,500,000 (the "Monitoring and Dust Suppression Cap").

j. G-I's obligation under this Consent Decree to provide funding to the Trust for Investigation of Off-Site Transport, Sale, and Use of Mine Tailings and Crushed Rock under Part I below shall be subject to an aggregate cost cap of \$5,000,000.

k. In the event that the total funding provided by G-I to the Trust under this Paragraph 10 in any Settlement Year is less than the annual cap set forth in subparagraphs d, e, or f, the difference between the cost cap and the amount of funding actually provided may be carried over and used in subsequent settlement years, provided, however, that G-I shall have no obligation to fund the Trust after Settlement Year 9, regardless whether the cost caps have been fully exhausted. Nothing in this Paragraph 10.k shall affect the aggregate cost cap applicable to any category of Work.

11. The Trustee shall provide an annual accounting of all Trust receipts and expenditures, along with documentation adequate to demonstrate that the Trust has met the requirements for completion of injunctive relief and funding under this Consent Decree.

**V. CAA AND RCRA INJUNCTIVE RELIEF AT THE VAG
SITE**

A. Installation and Maintenance of Perimeter Gates and Fencing.

12. By no later than thirty days after the Lodging Date, the Trust shall install chain-link gates and fencing extending beyond the gates so as to restrict passage around the gates on either side, in accordance with the SOW. The gates shall be installed at the locations identified on the VAG Site Map.

13. Beginning immediately upon completion of installation of the chain-link gates and fencing, the Trust shall begin inspecting the gates and fencing in accordance with Paragraph 23 to ensure that the perimeter gates and attached fencing are maintained in good operating condition through termination of this Section V.

B. Installation of "Jersey" Barriers.

14. As soon as Site conditions allow, but by no later than sixty days following the Lodging Date, the Trust shall take measures to prevent vehicular access to the top of the Eden Mine Tailings Pile by installing concrete barriers ("Jersey Barriers" or their equivalent) in accordance with the attached SOW, at the locations identified on the VAG Site Map.

15. Beginning immediately upon completion of installation of the Jersey Barriers, the Trust shall implement measures set forth in Paragraph 23 to ensure that the barriers are maintained in good condition, until termination of the Injunctive Trust.

C. Security of On-Site Buildings.

16. By no later than sixty days after the Lodging Date, the Trust shall secure the on-site buildings as set forth in the SOW. The buildings designated on the VAG Site Map will be boarded up and padlocked. In addition, the Trust shall remove the readily-identifiable Asbestos Product from the areas around the building perimeters and secure the Asbestos Product on-site, as designated in the SOW. The Trust will also take measures to ensure that the buildings containing Asbestos Product maintain sufficient integrity to prevent a material release of Asbestos Product to the environment.

17. Beginning immediately upon completion of the work in Paragraph 16, the Trust shall take measures set forth in Paragraph 23 to ensure that the buildings remain secure through termination of the Trust.

D. VAG Site Security Guard.

18. By no later than thirty days after the Lodging Date, the Trust shall retain an individual or firm to perform security work at the Site (“Security Contractor”) and to generally oversee security of the Site through termination of the Injunctive Trust, as specified in the SOW. The Trust’s selection of the Security Contractor shall be subject to the written approval of EPA, in consultation with Vermont.

19. The Security Contractor shall provide a security presence at the Site based on a seasonal schedule, as specified in the SOW.

20. The Security Contractor shall provide one or more guards to patrol on foot or by vehicle, as appropriate, the designated “patrol circuit” identified on the VAG Site Map. The Security Contractor shall maintain the written results of the patrols in the On-Site Log, as required by the SOW.

21. Operations. The Trust shall install and maintain a mobile office and/or trailer at the VAG Site, at the location identified on the VAG Site Map. The trailer shall serve as an operating office and communication center for the Security Contractor while present on-site and as the repository for the On-Site Log(s), all maintenance records, and any other documentation required to be maintained under the terms of this Consent Decree.

22. OSHA Compliance. The contract retaining the Security Contractor shall require the Security Contractor to comply with all applicable Occupational Safety and Health Administration (“OSHA”) regulations and Vermont Occupational Safety and Health Administration (“VOSHA”) regulations. Nothing contained in this Consent Decree, the SOW, any applicable Work Plan, or Health and Safety Plan (“HASP”) shall relieve the Security Contractor of its responsibility in this regard.

23. Physical Inspections. In accordance with a “patrol circuit” as set forth in the SOW, and to the extent reasonably feasible, the Security Contractor shall conduct daily physical inspections of the exterior gates and fencing and weekly inspections of the Jersey Barriers and Site buildings. The Security Contractor shall document in the On-Site Log the inspection results and repairs determined to be necessary to ensure continued compliance with the terms of this Consent Decree through termination of this Section V.

24. Maintenance of On-Site Log. The Security Contractor shall maintain a written daily log with notations of daily and periodic activity, inspection results, and other observations and shall make the log available for inspection by EPA, other federal personnel, and Vermont personnel with appropriate identification upon request.

25. Submission of periodic reports. The Security Contractor shall compile and integrate the information collected through patrols and inspections and shall provide it in a quarterly progress report to EPA and Vermont, as set forth in the SOW and in Section XI (Recordkeeping and Reporting Requirements).

26. Interim Special Reports. The Security Contractor shall provide prompt notice to EPA, Vermont, and the appropriate law enforcement authorities of any unusual activity at the VAG Site, including any breach of security on-site, and shall be responsible for alerting emergency response teams in a prompt manner, as necessary, to address any environmental, public health, or safety emergencies at the Site.

E. Installation and Operation of Meteorological Stations.

27. By no later than May 1, 2010 or, if the Preliminary Period Contribution is exhausted, no later than 60 days after the Plan Effective Date, the Trust shall install three meteorological stations at the VAG Site in the locations designated on the VAG Site Map and in accordance with

the requirements set forth in the SOW. The Trust shall, as appropriate, from May 1 through November 1 until the Monitoring and Dust Suppression Cap has been exhausted.

F. Installation and Operation of Air Monitoring Stations.

28. As soon as Site conditions allow, but by no later than two weeks following installation of the meteorological stations or, if the Preliminary Period Contribution is exhausted no later than 60 days after the Plan Effective date, the Trust, in consultation with EPA, shall install air monitoring stations in accordance with the requirements set forth in the SOW, and shall begin conducting air sampling in accordance with the SOW. The Trust shall conduct air monitoring from May 1 through November 1 during each of Settlement Years 2 through 8 or until the cost caps for this activity have been exhausted.

G. Dust Suppression.

29. If, at any time, during Settlement Years 1 through 8 or until the Monitoring and Dust Suppression Cap has been exhausted, the analysis of the air monitoring data indicates to EPA that dust suppression measures should be implemented, EPA, in consultation with Vermont, shall direct the Trust to undertake interim dust suppression measures to the extent reasonably practicable under the circumstances. The Parties agree that interim dust suppression is not intended to be a substitute for a final remedy, nor must it be designed to ensure zero dust migration, if this degree of dust suppression cannot be reasonably and economically accomplished.

H. Investigation of Off-Site Transport, Sale, and Use of Mine Tailings and Crushed Rock

30. Document Review. By no later than thirty days after the Lodging Date, G-I shall collect, review, and produce to EPA all documents in G-I's custody or control that have not been

previously produced to EPA related to the practice of transport, sale, or use of mine tailings or crushed rock off-site during its predecessors' ownership and operation of the VAG Site

31. Interviews of Individuals with Knowledge of Off-Site Use. Based on the document review required under Paragraph 30, G-I shall identify former G-I employees and others who may have knowledge of off-site transport, sale or use of mine tailings or crushed rock, or who may have access to additional documentation of off-site use.

32. Collection and Tabulation of Information. G-I shall prepare a report regarding the results of its document review, consisting of, at a minimum, individual names, addresses, telephone numbers, and other contact information. G-I shall submit the report to EPA and Vermont within 30 days of completion of the investigative activities set forth in this Part.

33. Investigation Support. The Trust shall provide funding to Vermont to conduct interviews of former G-I employees and any other person or entity who may have knowledge of off-site transport, sale, or use of mine tailings or crushed rock, and to conduct further investigations related to such off-site usage. The activities to be conducted pursuant to this Paragraph 33 shall be determined by Vermont, in consultation with EPA, and neither G-I nor the Trust shall have any responsibility for recommending, selecting, conducting, or approving activities to be conducted pursuant to this Paragraph. On a periodic basis, but not less than annually, Vermont shall submit invoices to the Trust setting forth the costs incurred in performing investigations pursuant to this Paragraph, along with reasonable documentation of those costs. Within sixty days of receipt of an invoice for interviewing costs, the Trustee shall inform Vermont and EPA if it objects to any of the invoiced costs. The Trustee may object to invoiced costs only on the grounds that the invoiced costs are inconsistent with the NCP or this Consent Decree. If the Trustee does not object to the invoiced costs, the Trustee shall pay those costs

within ninety days of receipt of the invoice, to the extent doing so would not require G-I's funding of the Trust to exceed either an annual cost cap or the aggregate cost cap for offsite investigation activities, as set forth in Paragraph 10. If the Trustee objects to any of the invoiced costs, then the Trustee shall invoke the dispute resolution procedures set forth in Section XIV to resolve the objection. If the Trustee objects to some but not all of the invoiced costs, the Trustee shall pay that portion of the invoice to which the Trustee has no objection within ninety days of receipt of the invoice and shall invoke dispute resolution with respect to the remainder.

34. Sampling and Analysis of Off-Site Material. The Trust shall provide technical support to EPA and/or Vermont for the purpose of characterizing potentially asbestos-containing material at off-site locations. The characterization activities to be conducted could include sampling (including activity based sampling), analysis (field or off-site lab), sample management, validation, data management, reporting, or other activities that EPA or Vermont identify as necessary to support the investigation of off-site material, subject to the cost caps set forth in Paragraph 10. The sampling, analysis, or other activities shall be conducted in accordance with accepted EPA methods as part of a Work Plan, Sampling Plan, and Quality Assurance Project Plan ("QAPP"), submitted to and approved by EPA, in consultation with Vermont, according to the procedures set forth in Section XII.

I. Acceptance of Work

35. The Trust shall perform all Work in accordance with one or more work plans or QAPPs. Except as set forth in Paragraph **Error! Reference source not found.**, all work plans and QAPPs shall be approved by EPA in accordance with the procedures set forth in Section XII before the Trust commences any Work described in the applicable work plan or QAPP.

36. Immediately upon receipt, the Trustee submit all invoices for Work performed to the EPA and ANR, along with a description of the Work performed and any reports or as-built drawings related to the Work performed. The Trustee shall not pay any invoices for Work performed until the Trustee has received from EPA, in consultation with ANR, notification that EPA agrees that the Work was performed in conformance with the Consent Decree and all documents incorporated herein. EPA will exercise best efforts to review and approve or reject invoices within thirty days and acknowledges that delays in implementation of the Work may result if invoices are not approved or rejected within thirty days.

37. The obligations of the Trust and the Trustee hereunder are all subject to the cost caps set forth herein and the funding provided by G-I. The Trust shall have no obligations to undertake activities or expend funds beyond the funding provided by G-I.

**VI. TERMS APPLICABLE TO FEDERAL AND STATE VAG
MONETARY CLAIMS**

38. The United States' and Vermont's have asserted Monetary Claims against G-I at the VAG Site. In order to reach a settlement of these claims without resort to litigation, the Parties have agreed that G-1 will make payments as follows:

39. VAG Past Costs Claim — Reimbursement

a. In full and complete resolution of the claim of the United States for reimbursement of VAG Response Costs incurred on or before October 15, 2008, G-I shall pay EPA the sum of \$154,000 within 60 days after the Plan Effective Date.

b. The cash distribution required by Paragraph 39.a shall be made by FedWire Electronic Funds Transfer ("EFT" or wire transfer) to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures. Payment shall be made in accordance with instructions provided to G-I by the Financial Litigation Unit of the United States

Attorney's Office for the District of New Jersey and shall reference Bankruptcy Petition Nos. 01-30135 and 01-38790 and DOJ File Number 90-11-3-07425. Copies of all distributions and related correspondence shall be sent to the addresses set forth below:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, DC 20044-7611
Ref. DOJ File No. 90-11-3-07425

Sarah Meeks
Enforcement Counsel
Office of Environmental Stewardship
US Environmental Protection Agency, Region 1
One Congress Street, Suite 1100 (SES)
Boston, MA 02114]

c. In full and complete resolution of the claim of Vermont for reimbursement of VAG Response Costs incurred on or before October 15, 2008, G-I shall pay Vermont the sum of \$16,800 within 60 days after the Plan Effective Date.

d. The cash distribution required by Paragraph 39.c shall be made [insert payment instructions].

40. VAG Future Response Costs Claim. In full and complete resolution of EPA's and Vermont's VAG Future Response Costs Claims, G-I shall make payments for response actions or activities to the United States and Vermont as set forth in Paragraphs 40 and 42.

41. VAG Future Costs Advance Payments. G-I shall make advance payments to EPA and/or Vermont upon EPA and/or Vermont's presentation of a Letter of Intent ("LOI"), documenting its readiness to implement response actions for the six month period following the date of the LOI. Each LOI shall identify the anticipated response actions to be undertaken during the following six months, the timeframe for implementation, and the estimated cost of

performing the response actions. G-I shall provide funding to EPA and/or Vermont equal to the estimated cost set forth in the LOI, subject to the cost caps set forth in this Paragraph, within 45 days of G-I's receipt of the LOI. The advance payment shall be placed in a CERCLA Special Account for response actions in connection with the VAG Site. Upon completion of the response actions or activities, EPA and/or Vermont shall provide documentation to G-I indicating that the actions are complete and providing an accounting of the response costs incurred.

- a. Cost Cap in Settlement Years One through Four: The total amount of advance payments to EPA and/or Vermont in Settlement Years One through Four shall not exceed an annual cost cap of \$450,000 per year.
- b. Settlement Year Five: G-I shall make advance payments to EPA and/or Vermont in Settlement Year Five, not to exceed a cost cap of \$200,000.
- c. VAG Advance Payments Annual Rollover: If at the end of each Settlement Year, the VAG Advance Payments are less than the annual cost caps identified above, the annual cost cap in the subsequent year shall be increased by the amount of unexpended funds in the previous year, provided that EPA and/or Vermont have met (and continue to meet) the conditions for Advance Payments as set forth in Paragraph 37(B)(2). For example, if EPA and/or Vermont only receive \$400,000 in advance payments in Year Three, the annual cost cap for Year Four will be increased by \$50,000.
- d. VAG Advance Payments Post Year Five: If the \$2,000,000 cap for VAG Advance Payments is not reached by the end of Settlement Year Five, then G-I shall continue to make advance payments after Settlement Year Five, until the full \$2,000,000 has been paid to EPA and/or Vermont. In no event shall G-I's total aggregate obligation to both EPA and Vermont to pay VAG Response Costs Advance Payments exceed \$2,000,000.

42. VAG Future Response Costs Claim – VAG Reimbursement

a. In Settlement Year Six and later, G-I shall reimburse EPA and Vermont for their actual response costs incurred at or in connection with the VAG Site at the rate of 8.6 percent (i.e., for every thousand dollars that EPA or Vermont incurs in response costs, G-I shall reimburse EPA or Vermont eighty-six dollars) to the extent those costs are not inconsistent with the NCP or this Consent Decree. The procedures by which EPA and Vermont shall submit costs for reimbursement are set forth in Section VII.

b. Limitations on Reimbursement

i. G-I shall have no obligation to make any payments to EPA and/or Vermont under this Paragraph 42 until (i) the aggregate Future VAG Response Costs incurred by EPA and Vermont exceed \$23,255,813, and G-I's obligation to reimburse EPA and Vermont for the first \$23,255,813 in VAG Future Response Costs shall be limited to the Advance Payments made pursuant to Paragraph 41.

ii. Cost Cap in Settlement Years Six and Seven: G-I's obligation during Settlement Years Six and Seven to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an annual aggregate cap of \$450,000 (i.e. 8.6 percent of \$5,232,558).

c. Cost Cap in Settlement Years Eight and After: G-I's obligation during Settlement Year Eight to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an aggregate cap of \$700,000 (i.e., 8.6 percent of \$8,139,535). G-I's obligation during Settlement Year Nine to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an aggregate cap of \$1,800,000 (i.e., 8.6 percent of \$20,930,232). G-I's obligation during Settlement Years Ten and

thereafter to reimburse EPA and Vermont for future response costs incurred at or in connection with the VAG Site shall be limited to an aggregate cap of \$2,000,000 (i.e., 8.6 percent of \$23,255,813).

d. Costs in Excess of the Annual Cap: If EPA and Vermont's costs during any Settlement Year exceed an annual cap as set forth above, the costs in excess of the cap may be invoiced during the following Settlement Year, provided however that there shall be no change in the cap for the following Settlement Year.

43. The EPA's and Vermont's aggregate total for VAG Future Response Cost Claims shall be capped at \$300 million under this Consent Decree. G-I shall reimburse 8.6 percent of EPA's and Vermont's VAG Future Response Cost Claims as set forth in this Consent Decree.

Accordingly, G-I's obligation to reimburse claims for VAG Future Costs shall terminate when the sum of the VAG Advance Payments (under Paragraph 41) and the VAG Reimbursement (under Paragraph 42) equals \$25,800,000 (i.e., 8.6 percent of \$300,000,000). In no event shall G-I be obligated to pay more than an aggregate amount of \$25,800,000 to the United States and/or Vermont with respect to VAG Future Response Costs. In the event that VAG Future Response Costs do not equal or exceed \$300,000,000, G-I shall only be required to reimburse the United States and Vermont for VAG Future Response Costs actually incurred. For example and by way of clarification, if the total of all VAG Future Response Costs equals \$100,000,000 then G-I's total liability for VAG Future Response Costs, including both VAG Advance Payments and VAG Reimbursements shall equal 8.6 percent of \$100,000,000 (i.e., \$8,600,000).

**VII. MECHANISM FOR PAYMENT OF FUTURE VAG
RESPONSE COSTS**

A. Future VAG Response Costs.

44. On a periodic basis the United States shall submit to G-I an invoice for VAG Future Response Costs incurred by the United States that consists of a Region 1 cost summary, which is a line-item summary of costs in dollars by category of costs (including but not limited to payroll, travel, indirect costs, contracts, and interagency agreement costs) incurred on behalf of EPA or its contractors. G-I shall reimburse EPA in an amount equal to 8.6 percent of the response costs incurred during the invoiced period, subject to the limitations set forth in Paragraphs 40, 42, and 43, within ninety days of G-I's receipt of each invoice, except as otherwise provided in Paragraph 52.

45. [Need to Verify Payment mechanism] G-I shall make all payments required by Paragraphs 40 or 42 by official bank checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, EPA Site/Spill ID Number 01ED and DOJ Case Number 90-11-3-07425. G-I shall send the checks to:

For Delivery by First Class Mail:

U.S. Environmental Protection Agency Superfund Payments
Cincinnati Finance Center
Accounts Receivable Branch
26 W Martin Luther King Dr.
MS-NWD
Cincinnati, OH 45268

Copies of all distributions and related correspondence shall be sent to the addresses set forth below:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 7611

Washington, DC 20044-7611
Ref. DOJ File No. 90-11-3-07425

Sarah Meeks
Enforcement Counsel
Office of Environmental Stewardship
US Environmental Protection Agency, Region 1
One Congress Street, Suite 1100 (SES)
Boston, MA 02114

The United States shall notify G-I in writing of any modifications to the foregoing addresses or payment requirements.

46. EPA may, in its sole discretion, direct any portion of any cash distribution received by EPA for VAG Future Response Costs into a site-specific special account established to fund response actions at the VAG Site in the event that future work is anticipated at the VAG Site.

47. G-I may contest payment of any VAG Future Response Costs submitted for reimbursement if it determines that the United States has made an accounting error or if it alleges the costs submitted for reimbursement are inconsistent with the NCP or the terms of this Consent Decree. Such objection shall be made in writing within sixty days of receipt of the invoice and must be sent to the United States pursuant to Section XVII (Notices and Submissions).

48. Any such objection shall specifically identify the contested VAG Future Response Costs and the basis for objection. In the event of an objection, G-I shall pay all uncontested VAG Future Response Costs to the United States in the manner described in Paragraphs 44 and 45. Simultaneously, G-I shall establish an interest-bearing escrow account in a federally-insured bank and remit to that escrow account funds equivalent to the amount of the contested VAG Future Response Costs. G-I shall send to the United States, as provided in Section XVII (Notices and Submissions), a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, the identity of the bank and bank account under which the escrow

account is established as well as a bank statement showing the initial balance of the escrow account.

49. Simultaneously with establishment of the escrow account, G-I shall initiate the Dispute Resolution procedures in Section XIV (Dispute Resolution). If the United States prevails in the dispute with respect to any costs, then within five days of the resolution of the dispute, G-I shall pay from the escrow account the disputed costs on which EPA prevailed (with accrued Interest) to the United States in the manner described in Paragraphs 44 and 45. If G-I prevails concerning any aspect of the contested costs, then the amount of the disputed costs on which G-I prevailed shall be disbursed to G-I from the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XIV (Dispute Resolution) shall be the exclusive mechanisms for resolving disputes regarding G-I's obligation to reimburse the United States for VAG Future Response Costs.

50. In the event that the payments required by Paragraphs 41, 42, and 43 are not made within ninety days of G-I's receipt of the invoice, G-I shall pay Interest on the unpaid balance. The Interest to be paid on each payment shall begin to accrue on ninety-first day following G-I's receipt of the invoice and shall accrue through the date of G-I's payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of G-I's failure to make timely payments. G-I shall make all payments required by this Paragraph in the manner described in Paragraph 45.

B. Future Vermont Response Costs.

51. On a periodic basis, but not less than annually, Vermont shall submit to G-I an invoice of VAG Future Response Costs incurred by Vermont that consists of a Vermont ANR cost summary, which is a line-item summary of costs in dollars by category of costs (including but

not limited to payroll, travel, indirect costs, and contracts) incurred by Vermont and its contractors. G-I shall reimburse Vermont in an amount equal to 8.6 percent of the response costs incurred during the invoiced period, subject to the limitations set forth in Paragraphs 40, 42, and 43, within ninety days of G-I's receipt of each invoice, except as otherwise provided in Paragraph 54.

52. G-I shall make all payments required by this Paragraph by official bank check(s) made payable to "State of Vermont – Environmental Cleanup Fund," referencing the name and address of the party making the payment, and Site No. 1995-1825. G-I shall send the check(s) to:
For Delivery by First Class Mail:

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

Copies of all distributions and related correspondence shall be sent to the addresses set forth below:

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-10010

Vermont shall notify G-I in writing of any modifications to the foregoing addresses or payment requirements.

53. Except as otherwise provided in this Consent Decree, Vermont may, in its sole discretion, direct any portion of any cash distribution received into a site-specific special account established to fund response activities at the VAG Site in the event that future work is anticipated at the VAG Site.

54. G-I may contest payment to Vermont of any VAG Future Response Costs if it determines that Vermont has made an accounting error or if it alleges that a cost item submitted for reimbursement is inconsistent with the NCP or the terms of this Consent Decree. Such objection shall be made in writing within sixty days of receipt of the invoice and must be sent to Vermont pursuant to Section XVII (Notices and Submissions).

55. Any such objection shall specifically identify the contested Vermont VAG Future Response Costs and the basis for objection. In the event of an objection, G-I shall within ninety days from the receipt of the invoice pay all uncontested Vermont VAG Future Response Costs in the manner described in Paragraph 52. Simultaneously, G-I shall establish an interest-bearing escrow account in a federally-insured bank and remit to that escrow account funds equivalent to the amount of the contested VAG Future Response Costs. G-I shall send to Vermont, as provided in Section XVII (Notices and Submissions), a copy of the correspondence that establishes and funds the escrow account, including, but not limited to, information containing the identity of the bank and bank account under which the escrow account is established as well as a bank statement showing the initial balance of the escrow account.

56. Simultaneously with establishment of the escrow account, G-I shall initiate the Dispute Resolution procedures in Section XIV (Dispute Resolution). If Vermont prevails in the dispute, then within five days of the resolution of the dispute, G-I shall pay from the escrow account the amount of the disputed costs on which Vermont prevailed (with accrued Interest) to Vermont in the manner described in Paragraph 52. If G-I prevails concerning any aspect of the contested costs, then the amount of the disputed costs on which G-I prevailed shall be disbursed to G-I from the escrow account. The dispute resolution procedures set forth in this Paragraph in conjunction with the procedures set forth in Section XIV (Dispute Resolution) shall be the

exclusive mechanisms for resolving disputes regarding G-I's obligation to reimburse Vermont for VAG Future Response Costs.

57. In the event that the payments to Vermont required by Paragraphs 41, 42, and 43 are not made within ninety days of G-I's receipt of the invoice, G-I shall pay Interest on the unpaid balance. The Interest to be paid shall begin to accrue on the ninety-first day after G-I receives the invoice and shall accrue through the date of G-I's payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to Vermont by virtue of G-I's failure to make timely payments under this Section. G-I shall make all payments required by this Paragraph in the manner described in Paragraph 52.

58. In the event that both EPA and Vermont have submitted invoices to G-I seeking payment, which have not yet been paid, and the payment of both will cause the exceedence of an annual cap, G-I shall so inform EPA and Vermont, and shall thereafter follow such instructions as it shall receive from EPA concerning how payment within the cap limits should be made.

VIII. TERMS APPLICABLE TO THE FEDERAL AND STATE
VAG NATURAL RESOURCE DAMAGE CLAIMS

59. In settlement and satisfaction of all claims and causes of action of the VAG NRD Trustees for VAG NRD Claims, G-I shall pay to the VAG NRD Trustees the amount of \$850,000. The amounts of the NRD imbursement required by this Paragraph was determined based on an allowed claim of \$9,883,721 times an 8.6 percent payout rate. G-I shall make the payment required by this Paragraph on the following schedule set forth in (a) through (i) below:

- a. During the first 60 days of Settlement Year One, the sum of \$50,000.
- b. During the first 60 days of Settlement Year Two, the sum of \$50,000.
- c. During the first 60 days of Settlement Year Three, the sum of \$50,000.
- d. During the first 60 days of Settlement Year Four, the sum of \$50,000.

e. During Settlement Year Five, the sum of \$300,000, with \$150,000 to be paid during the first 60 days of the Settlement Year, and the remaining \$150,000 to be paid within 240 days of the beginning of the Settlement Year.

f. During the first 60 days of Settlement Year Six, the sum of \$50,000.

g. During the first 60 days of Settlement Year Seven, the sum of \$50,000.

h. During the first 60 days of Settlement Year Eight, the sum of \$50,000.

i. During the first 60 days of Settlement Year Nine, the sum of \$200,000.

Payments shall be made as follows: [fill in instructions]. Payments received by the VAG NRD Trustees shall be deposited into the DOI Natural Resource Damage Assessment and Restoration Fund, Account No. [14X5 198.] A separate, site-specific numbered account for the VAG Site (“VAG Restoration Account”) has been or will be established within DOI’s Natural Resource Damage Assessment and Restoration Fund. The trustees shall use the funds in the VAG Restoration Account, including all interest earned on such funds, for restoration and assessment activities at or in connection with the VAG Site.

**IX. TERMS APPLICABLE TO FEDERAL MONETARY
CLAIMS AT THE GENERATOR SITES**

60. The United States’ claims with respect to the Generator Sites shall be fully satisfied and liquidated as specified below.

61. G-I shall pay EPA and NOAA the sums set forth in the following Generator Payment Table within 60 days after the Plan Effective Date. The amounts of payments required were determined based on allowed claim settlement amounts for each Generator Site times an 8.6% payout rate.

62. Generator Payment Table

<u>Site</u>	<u>Agency</u>	<u>Payment</u>
68 th Street Dump Site	EPA	\$8,134
Colesville Municipal Landfill Site	EPA	\$22,321
Kin-Buc Landfill Site	EPA NOAA	\$783 \$2469
Maryland Sand, Stone, and Gravel	EPA	\$24,660
Novak Sanitary Landfill Site	EPA	\$9,385
Operating Industries, Inc. Site	EPA	\$11,402
Pioneer Smelting Site	EPA	\$12,900
Tri-Cities Barrel Co., Inc. Site	EPA	\$11,928
Weld County Disposal Site	EPA	\$633

63. Cash Distributions to EPA for the Generator Sites: Cash distributions to the United States for EPA shall be made by FedWire Electronic Funds Transfer (“EFT” or wire transfer) to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures. Payment shall be made in accordance with instructions provided to G-I by the Financial Litigation Unit of the United States Attorney’s Office for the District of New Jersey and shall reference Bankruptcy Petition Nos. 01-30135 and 01-3 8790 and DOJ File Number 90-11-3-07425. G-I shall transmit written confirmation of such payments to the Department of Justice and EPA at the addresses specified in Paragraph XVII. EPA may, in its sole discretion, direct any portion of cash distribution it receives for the Generator Sites to the Hazardous

Substances Trust Fund and/or into a site-specific special account established to fund response actions at such Generator Site in the event that future work is anticipated at such Site.

64. G-I shall pay \$2,469 in reimbursement for Past Costs incurred by NOAA, as set forth in Paragraph 62. The NOAA Past Costs shall be paid by EFT to the U.S. Department of Justice lockbox, referencing DOJ File Number 90-11-3-07425 and the United States Attorney's Office file number, in accordance with the EFT instructions that shall be provided by the United States Attorney's office after lodging of this Decree.

65. With respect to the Generator Sites, copies of all distributions to EPA and NOAA and related correspondence to the United States shall be sent to:

Assistant Attorney General
Environment & Natural Resources Division
U.S. Department of Justice
10th & Pennsylvania Ave., N.W.
Washington, DC 20530
Ref. DOJ File No. 90-11-3-07425

and with respect to EPA distributions:

US EPA
Cincinnati Finance Center
Accounts Receivable Branch
26 W Martin Luther King Dr.
MS-NWD
Cincinnati, OH 45268

and

David Smith-Watts, Esq.
U.S. Environmental Protection Agency
Ariel Rios South Building
MS 2272A
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

and with respect to NOAA distributions:

NOAA/NOS/OR&R
ATTN: Kathy Salter, DARRF Manager
1305 East West Highway
SSMC4, Room 9331
Silver Spring, MD 20910-3281

and

M.E. Rolle, Attorney-Advisor
National Oceanic and Atmospheric Administration
Office of General Counsel for Natural Resources
263 13th Ave. S., Suite 177
St. Petersburg, FL 33701

**X. TERMS APPLICABLE TO FEDERAL MONETARY
CLAIMS FOR LINDEN SITES**

66. In consideration for the Linden Agreement attached hereto as Attachment 6, the United States withdraws such portion of its Proof of Claim concerning the Linden Sites.

**XI. VAG SITE RECORDKEEPING AND REPORTING
REQUIREMENTS**

67. In addition to any other recordkeeping and reporting requirement of this Consent Decree, the Trustee shall submit written quarterly progress reports for work at the VAG Site as specified in the SOW.

68. If requested by EPA or Vermont, the Trustee shall also provide oral briefings to EPA and Vermont discussing the progress of the Work or the response activities undertaken by EPA or Vermont in connection with the VAG Site.

69. The Trustee shall notify EPA of any change in the schedule described in the quarterly progress reports for the performance of any activity, including, but not limited to, data collection and implementation of work plans, no later than seven days prior to the performance of the activity.

XII. EPA APPROVAL OF PLANS AND OTHER SUBMISSIONS
FOR THE VAG SITE

70. After review of any plan, report or other item that is required to be submitted for approval pursuant to this Consent Decree, EPA, in consultation with Vermont, shall:

- a. approve the submission, in whole or in part;
- b. approve the submission upon specified conditions;
- c. modify the submission to cure the deficiencies;
- d. disapprove the submission, in whole or in part, directing that the Trust, as applicable,

modify the submission; or

- e. any combination of the above,

provided, however, that EPA shall not modify a submission without first providing the Trust at least one notice of deficiency and an opportunity to cure within thirty days.

71. In the event of approval, approval upon conditions, or modification by EPA, pursuant to Paragraph 70(a), (b), or (c), the Trust shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA, subject only to the right to invoke the Dispute Resolution procedures set forth in Section XIV (Dispute Resolution) with respect to the modifications or conditions made by EPA.

72. Resubmission of Plans. Upon receipt of a notice of disapproval pursuant to Paragraph 70(d), the Trustee shall, within 21 days or such longer time as specified by EPA in the notice of disapproval, correct the deficiencies and resubmit the plan, report, or other item for approval. Notwithstanding the receipt of a notice of disapproval pursuant to Paragraph 70(d), the Trustee shall proceed, at the direction of EPA, to take any action required by any non-deficient portion of the submission.

73. In the event that a resubmitted plan, report or other item, or portion thereof, is disapproved by EPA, EPA may again require the Trust to correct the deficiencies, in accordance with Paragraph 72. EPA also retains the right to modify or develop the plan, report or other item. The Trust shall implement any such plan, report, or item as modified or developed by EPA, subject only to the right to invoke the procedures set forth in Section XIV (Dispute Resolution).

74. If upon resubmission, a plan, report, or item is disapproved or modified by EPA due to a material defect, the Trust shall be deemed to have failed to submit such plan, report, or item timely and adequately unless the Trust invokes the dispute resolution procedures set forth in Section XIV (Dispute Resolution) and EPA's action is overturned pursuant to that Section. All plans, reports, and other items required to be submitted to EPA under this Consent Decree shall, upon approval or modification by EPA, become incorporated in this Consent Decree and enforceable as if fully set forth herein.

75. The Trust shall not commence any Work until all Work Plans related to that Work have been approved by EPA.

XIII. FORCE MAJEURE

76. If any event occurs that causes or may cause a delay or impediment to performance of or compliance with any provision of this Consent Decree (e.g., a condition that would require performance in an unsafe manner), and that the Trustee believes qualifies as an event of Force Majeure, the Trustee shall notify EPA in writing as soon as practicable, but in any event within forty-five Days of when the Trustee first knew of the event or should have known of the event by the exercise of reasonable diligence. In this notice the Trustee shall specifically reference this Paragraph 76 and describe the anticipated length of time the delay may persist, the cause or causes of the delay, the measures taken and/or to be taken by the Trustee to prevent or minimize

the delay and the schedule by which those measures will be implemented. The Trustee shall adopt all reasonable measures to avoid or minimize such delays.

77. Failure by the Trustee to substantially comply with the notice requirements of Paragraph 76 shall render this Section XIII voidable by the United States as to the specific event for which the Trustee has failed to comply with the notice requirements. If so voided, this Section shall be of no effect as to the particular event involved.

78. The United States shall notify the Trustee in writing regarding its agreement or disagreement with any claim of a Force Majeure event within forty-five Days of receipt of each Force Majeure notice provided under Paragraph 76.

79. If the United States, in consultation with Vermont, agrees that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Trust, including any entity controlled or contracted by the Trust, and that the Trust could not have prevented the delay by the exercise of reasonable diligence, the Parties shall stipulate to an extension of the required deadline(s) for all requirement(s) affected by the delay by a period equivalent to the delay actually caused by such circumstances, or such other period as may be appropriate in light of the circumstances. Such stipulation may be filed as a modification to this Consent Decree by agreement of the Parties pursuant to the modification procedures set forth in Section XXIV.

80. If the United States, in consultation with Vermont, does not agree that the delay or impediment to performance has been or will be caused by circumstances beyond the control of the Trust, including any entity controlled or contracted by them, the position of the United States on the Force Majeure claim shall become final and binding upon the Trust, unless the Trust invokes Dispute Resolution within 30 Days after receiving written notification that the United

States does not agree that a force majeure event has occurred. In the event that the United States and Vermont are unable to reach an agreement on the governments' position, after opportunity for consultation, the position of the United States shall become the final position of the governments with regard to the Trust's Force Majeure claim.

81. If the Trust prevails in Dispute Resolution, then the Trust shall be excused as to such event(s) for the period of time equivalent to the delay caused by such circumstances.

82. The Trust shall bear the burden of proving that any delay of any requirement(s) of this Consent Decree was caused by or will be caused by circumstances beyond its control, including any entity controlled or contracted by the Trust, and that it could not have prevented the delay by the exercise of reasonable diligence. The Trust shall also bear the burden of proving the duration and extent of any delay(s) attributable to such circumstances. An extension of one compliance date based on a particular event may, but does not necessarily, result in an extension of a subsequent compliance date or dates.

83. As part of the resolution of any matter submitted to Dispute Resolution under this Section, the Parties by agreement, or the Court by order, may extend or modify the schedule for completion of the Work to account for the delay in the Work that occurred as a result of any delay or impediment to performance on which an agreement by the Parties or approval by the Court is based.

XIV. DISPUTE RESOLUTION

84. Unless otherwise expressly provided for in this Consent Decree, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising between or among the United States, Vermont, G-I, the Trustee, or any subset of them, under or with respect to this Consent Decree.

85. Informal Dispute Resolution: Any dispute subject to Dispute Resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when the party invoking Dispute Resolution (“Invoking Party”) sends the party against which Dispute Resolution is invoked (“Responding Party”) a written Notice of Dispute, which shall state clearly the matter in dispute. The Notice of Dispute shall simultaneously be sent to any Party not a Party to the Dispute (“Collateral Party”). The period of informal negotiations shall not exceed 30 Days from the date the dispute arises, unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by EPA or by the Responding Party, if EPA does not advance a position on the dispute, shall be considered binding unless, within 30 Days after the conclusion of the informal negotiation period, the Invoking Party invokes formal dispute resolution procedures as set forth below.

86. Formal Dispute Resolution: The Invoking Party may only invoke formal dispute resolution procedures, within the time period provided in Paragraph 85, by serving on the Responding Party and any Collateral Parties a written Statement of Position regarding the matter in dispute. The Invoking Party’s Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies.

87. The Responding Party shall serve its Statement of Position within 30 Days of receipt of the Invoking Party’s Statement of Position. The Responding Party’s Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies. Any Collateral Parties may, but need not, serve a Statement of Position within 30 Days of receipt of the Invoking Party’s

Statement of Position. Any Collateral Party Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting its position and any supporting documentation on which it relies. The Responding Party's Statement of Position shall be binding unless the Invoking Party files a motion for judicial review of the dispute in accordance with Paragraph 88.

88. The Invoking Party may seek judicial review of the dispute by filing with the Court and serving on the Responding Party and any Collateral Parties, in accordance with Section XVII of this Consent Decree (Notices), a motion requesting judicial resolution of the dispute. The motion must be filed within 30 Days of receipt of the Responding Party's Statement of Position. The motion shall include copies of all Statements of Position served by any Party, along with any supporting documentation, and the Statements of Position shall constitute the complete written submission to the Court on the dispute. The motion shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of the Consent Decree.

89. All petitions for determination of disputes arising under Section VI, VII, VIII, IX and X of this Consent Decree shall be filed with the Bankruptcy Court for resolution. In accordance with the order of the United States District Court for the District of New Jersey dated February 17, 2009 in Civil Case No. 08-5470 (SGW), all other petitions for resolving disputes arising under this Consent Decree shall be filed with the United States District Court for the District of New Jersey.

90. Except as otherwise provided in this Consent Decree, in any dispute for which judicial review is sought, the Invoking Party shall bear the burden of demonstrating that its position should prevail according to the standard imposed by applicable law.

91. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of G-I or the Trust under this Consent Decree, unless and until final resolution of the dispute so provides.

**XV. VAG SITE INFORMATION COLLECTION AND
RETENTION**

92. The Trust shall use best efforts to secure from the owner of the VAG Site an agreement to provide access thereto to the Trust and its contractors, as well as to EPA, Vermont and their representatives (including contractors), for the purpose of conducting any activity related to this Consent Decree. For purposes of this Paragraph, “best efforts” includes the payment of reasonable sums of money in consideration of access. The United States may, as it deems appropriate, assist the Trust in obtaining access as required by this Paragraph. Settling Defendants shall reimburse the United States for all costs incurred by the United States in obtaining such access, land/water use restrictions, and/or the release/subordination of prior liens or encumbrances including, but not limited to, the cost of attorney time and the amount of monetary consideration paid or just compensation. The Trust, including its contractors, shall not take any steps to impede EPA’s or Vermont’s access to the VAG Site.

93. Until five years after completion of the work described in Section V, G-I and the Trustee shall retain, and shall instruct their contractors and agents to preserve, all non-identical copies of documents, records, or other information (including documents, records, or other information in electronic form) in their or their contractors’ or agents’ possession or control, or that come into their or their contractors’ or agents’ possession or control, and that relate in any manner to the Trust’s performance of its obligations under this Consent Decree. Such documents, records, or other information may be kept in electronic form. This information-retention requirement shall apply regardless of any contrary corporate or institutional policies or

procedures. At any time during this information-retention period, upon request by the United States or Vermont, G-I or the Trustee shall provide copies of any non-privileged documents, records, or other information required to be maintained under this Paragraph.

94. After the conclusion of the information-retention period provided in the preceding Paragraph, G-I and the Trustee shall notify the United States and Vermont at least ninety Days before destroying any documents, records, or other information subject to the requirements of the preceding Paragraph and, upon request by the United States or Vermont, G-I or the Trustee shall deliver the requested non-privileged documents, records, or other information to EPA, DOI, or Vermont ANR.

95. G-I or the Trustee may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege recognized by federal or state law. If G-I or the Trustee asserts such a privilege, it shall provide the following for each item withheld: (1) the title of the document, record, or information; (2) the date of the document, record, or information; (3) the name and title of each author of the document, record, or information; (4) the name and title of each addressee and recipient; (5) a description of the subject of the document, record, or information; and (6) the privilege asserted. However, no final documents, records or other information that G-I or the Trustee is explicitly required to create or generate to satisfy a requirement of this Consent Decree shall be withheld on the grounds of privilege.

96. G-I or the Trustee may also assert that information required to be provided under this Section is protected as Confidential Business Information (“CBI”) under 40 C.F.R. Part 2 and/or [Insert Applicable Vermont Provision]. As to any information that G-I seeks to protect as CBI, G-

I shall follow the procedures set forth in 40 C.F.R. Part 2 and/or [Insert Applicable Vermont Provision].

97. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or Vermont pursuant to applicable federal or state laws, regulations, or permits, nor does it limit or affect any duty or obligation of G-I to maintain documents, records, or other information imposed by applicable federal or state laws, regulations, or permits.

XVI. COSTS.

98. The Parties shall bear their own costs of this action, including attorneys' fees, except that the United States and Vermont shall be entitled to collect their costs (including reasonable attorneys' fees) incurred in any action necessary to collect any portion of the payments required to be made by G-I pursuant to Section VI.

XVII. NOTICES

99. Unless otherwise specified herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and mailed or hand delivered to the following addresses:

As to the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-2-1-08656

and

Sarah Meeks
Enforcement Counsel
US Environmental Protection Agency

One Congress Street, Suite 1100 (SES)
Boston, MA 02114

and (only for notifications, submissions, or communications related to Natural Resource

Damages):

Office of the Solicitor
U.S. Department of the Interior
[address]

As to the State of Vermont (only for notifications, submissions, or communications related to the
VAG Site):

John Schmeltzer
VAG VT ANR Project Manager
VT DEC Waste Management Division
103 South Main Street, West Building
Waterbury, VT 05671-0404

and

John D. Beling
Assistant Attorney General
Attorney General's Office
109 State Street
Montpelier, VT 05609-1001

As to G-I:

Legal Department
G-I Holdings Inc.
Attn: Celeste Wills or Environmental Counsel
1361 Alps Road
Wayne, NJ 07470

100. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above. Notices submitted by mail pursuant to this Section XIV shall be deemed submitted upon mailing, unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XVIII. COVENANTS BY THE UNITED STATES

A. Section 303 of the CAA and Section 7003 of RCRA.

101. This Consent Decree resolves all civil claims of the United States on behalf of EPA that were alleged in the Complaint for declaratory and injunctive relief pursuant to Section 303 of CAA, 42 U.S.C. §7603 and Section 7003 of RCRA, 42 U.S.C. §6973 for conditions at, on, under, or emanating from the VAG Site.

102. The United States reserves all legal and equitable remedies available to enforce the provisions of this Consent Decree against G-I. This Consent Decree is not a permit, or a modification of any permit, under any federal, state, or local laws or regulations.

103. Except as otherwise provided herein, this Consent Decree does not limit or affect the rights of G-I, the G-I Affiliated Entities, or of the United States against any third parties, not party to this Consent Decree.

104. Except as otherwise provided herein, this Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not a party to this Consent Decree.

B. Covenant Not to Sue.

105. In consideration of all of the foregoing, including the Acknowledgment of Liability Agreement, the payments that will be made, and the Allowed General Unsecured Claims authorized pursuant to the terms of this Consent Decree, and except as specifically provided in Paragraphs 113 through 116, the United States on behalf of EPA, DOI, and NOAA, with respect to the VAG Site, the Generator Sites, the Linden Sites, or the Additional Sites, covenants not to bring or assert any Claim (as defined in the Plan of Reorganization), file a civil action, seek or issue any orders, or take any other administrative or other action against G-I, its

officers, directors, employees, attorneys, [direct and indirect subsidiaries], successors, and assigns, and with respect to the VAG Site only, the G-I Affiliated Entities, pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, the CAA, RCRA, or any other provision of federal or state law, including the common law, for the recovery of response costs incurred or to be incurred or for the recovery of damages to natural resources (including assessment costs). With respect to the VAG Site only, the United States on behalf of EPA and DOI covenants not to bring or assert any Claim, file a civil action, seek or issue any orders, or take any other administrative or other action against G-I, its officers, directors, employees, attorneys, [direct and indirect subsidiaries], successors, and assigns, or the G-I related entities pursuant to CERCLA, RCRA, the CAA, or any other provision of state or federal law, including the common law, seeking injunctive relief of a type that could be available to the United States in an action under RCRA § 7003.

C. G-I's and ACI's Chapter 11 Plan and the United States' Proof of Claim.

106. The United States, on behalf of EPA, DOI, and NOAA, waives its right and covenants not to object to any plan of reorganization of G-I and ACI. The United States' Proof of Claim No. 1509 shall be deemed to be satisfied and/or complied with in full. Moreover, the United States shall be deemed to have filed a proof of claim or protective proof of claim for matters addressed in this Consent Decree, which proof of claim and/or protective proof of claim shall be deemed satisfied and/or complied with in full in accordance with the terms of this Consent Decree. This Settlement Agreement shall be incorporated by reference into G-I's and ACI's plan of reorganization.

107. The United States, on behalf of EPA, DOI, and NOAA, covenants not to object to approval by the Bankruptcy Court of any proposed settlement among G-I and any insurance

carriers or seek to recover any proceeds of any settlement between G-I and its insurance carriers or any judgment obtained by G-I against its insurance carriers. The United States hereby agrees that any transfer of rights in any of G-I's insurance policies to the United States with respect to the VAG Site, the Generator Sites, or the Linden Sites is void and the United States waives any rights which the United States may have against any insurance carriers that may have liability to G-I with respect to the VAG Site, the Generator Sites or the Linden Sites.

108. The United States covenants not to assert any claims or commence any action against the Trustee or the Trust other than to enforce the terms of this Consent Decree. The United States further agrees to be bound by paragraphs X through XX of the Trust Agreement . . .

XIX. COVENANTS BY VERMONT

109. In consideration of all of the foregoing, including the payments that will be made, and the Allowed General Unsecured Claims authorized pursuant to the terms of this Consent Decree, and except as specifically provided in Paragraphs 114 through 116, Vermont covenants not to bring any Claim (as defined in the Plan of Reorganization), file a civil action, seek or issue any orders, or take any other administrative or other action against G-I, its officers, directors, employees, attorneys, direct and indirect subsidiaries, successors, and assigns, or the G-I Affiliated Entities pursuant to Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or under 10 V.S.A. §§1259, 1274, 6610a, 6615 and 6616, or any other federal or state law, including common law, with respect to the VAG Site.

110. Vermont waives its right and covenants not to object to any plan of reorganization of G-I and ACI. Vermont's Proofs of Claim 1157, 1158 and 1159 shall be deemed to be satisfied in full. Moreover, Vermont shall be deemed to have filed a proof of claim for matters addressed

in this Consent Decree, which proof of claim shall be deemed satisfied in full in accordance with the terms of this Consent Decree.

111. Vermont covenants not to object to approval by the Bankruptcy Court of any proposed settlement among G-I and any insurance carriers or seek to recover any proceeds of any settlement between G-I and its insurance carriers or any judgment obtained by G-I against its insurance carriers. Vermont hereby assign to G-I any rights which Vermont may have against any insurance carriers that may have liability to G-I with respect to the VAG Site.

112. Vermont covenants not to assert any claims or commence any action against the Trustee or the Trust other than to enforce the terms of this Consent Decree.

XX. RESERVATION OF RIGHTS

113. Except as set forth in Sections XIX and XX, the covenants not to sue contained in Sections XIX and XX extend only to G-I and do not extend to any other person. Except as set forth in Sections XIX and XX, nothing in this Consent Decree is intended as a covenant not to sue or a release from liability for any person or entity other than G-I, the United States and Vermont. Except as otherwise provided herein, the United States, Vermont and G-I expressly reserve all claims, demands and causes of action either judicial or administrative, past, present or future, at law or in equity, that the United States, Vermont or G-I may have against all other persons, firms, corporations, entities, or predecessors of G-I for any matter arising at or relating in any manner to the sites, causes of action, or claims addressed herein.

114. Notwithstanding the foregoing, the covenants not to sue contained in this Consent Decree shall not apply to, nor affect any action based on, a failure to meet a requirement of this Consent Decree or criminal liability. In addition, the parties reserve all rights and defenses they may have with respect to conduct of G-I at the VAG Site, the Generator Sites, or the Linden Sites

occurring after the Lodging Date of this Consent Decree to the extent such conduct would give rise to liability under Sections 106 and 107(a)(1)-(4) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a)(1)-(4), Section 7003 of RCRA, 42 U.S.C. §6973 or Section 303 of CAA, 42 U.S.C. § 7603. Nothing in this Consent Decree shall affect or limit such rights and defenses.

115. Nothing in this Consent Decree shall be deemed to limit the authority of the United States to take response action under Section 104 of CERCLA, 42 U.S.C. § 9604, or any other applicable law or regulation, or to alter the applicable legal principles governing judicial review of any action taken by the United States pursuant to that authority. Nothing in this Consent Decree shall be deemed to limit the information gathering authority of the United States or Vermont under Sections 104 and 122 of CERCLA, 42 U.S.C. §§ 9604 and 9622, or any other applicable federal or state law or regulation, or to excuse G-I from any disclosure or notification requirements imposed by CERCLA, RCRA, the CAA, or any other applicable federal or state law or regulation.

116. The United States reserves all rights to seek response costs and natural resource damages under CERCLA and reserves all rights to take action under all other applicable federal or state laws against IES at the Linden Sites as set forth in the Linden Agreement.

117. This Consent Decree shall in no way impair the scope and effect of the G-I's and ACI's discharge under Section 1141 of the Bankruptcy Code as to the United States, Vermont, any third parties, or as to any claims that are not addressed by this Consent Decree.

XXI. G-I's COVENANTS

A. G-I's Covenants to the United States.

118. G-I hereby covenants not to sue and agrees not to assert or pursue any claims or causes of action against the United States with respect to the VAG Site, the Generator Sites, the

Additional Site or the Linden Sites including, but not limited to, (i) any direct or indirect claim for reimbursement from the Hazardous Substances Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507) under Sections 106(b)(2), 111, 112, 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9611, 9612, 9613, or any other provision of law; (ii) any claim against the United States, including any department, agency or instrumentality of the United States government not otherwise included in the definition of United States, under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613 related to the VAG Site, the Generator Sites, the Additional Sites or the Linden Sites; or (iii) any claims arising out of response activities at the VAG Site, the Generator Sites, the Additional Sites or the Linden Sites including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law. Nothing in this Consent Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, 40 C.F.R. § 300.700(d).

119. G-I further covenants not pursue any claims, demands, or causes of action either judicial or administrative, past, present or future, at law or in equity, that G-I may have against any other persons, firms, corporations, or entity, other than G-I's insurance carriers, for contribution, cost recovery, indemnity, or reimbursement for the costs that G-I will incur pursuant to this Consent Decree related to the VAG Site.

B. G-I's Covenants to Vermont.

120. G-I hereby covenants not to sue and agrees not to assert or pursue any claims or causes of action against Vermont with respect to the VAG Site, including, but not limited to any claim against Vermont under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, 10 V.S.A. § 6615, or any other provision of law related to the VAG Site, or any claims arising out

of response activities at the VAG Site, including any claim under the United States Constitution, the Vermont Constitution, or any other provision of law.

XXII. CONTRIBUTION PROTECTION

121. With regard to all existing or future third-party claims with respect to the VAG Site, the Generator Sites, the Linden Sites, or the Additional Sites , including claims for contribution, the parties hereto agree that G-I, its officers, directors, employees, attorneys, direct and indirect subsidiaries, successors, and assigns, and with respect to the VAG Site only, the G-I affiliated entities, are entitled to such protection from actions or claims as is provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2). “Matters addressed” in this settlement, as that phrase is used in Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), include all response actions taken and to be taken and all response costs incurred and to be incurred by the United States, Vermont, or potentially responsible parties for response costs or natural resource damages. Notwithstanding the foregoing, with respect to the Tri Cities Barrel Superfund Site, the Novak Sanitary Landfill Superfund Site, the Maryland Stone Sand and Gravel Superfund Site, and the Colesville Landfill Site “matters addressed” shall be limited to the United States’ claims for past and future unreimbursed costs set forth in the United States’ Proof of Claim.

122. G-I expressly reserves any and all defenses it may have against any claims by third parties with respect to any matter, transaction , or occurrence relating in any way to (i) the VAG Site, (ii) the Linden Sites, or (iii) the Generator Sites.

XXIII. RETENTION OF JURISDICTION

123. The Bankruptcy Court and the District Court each retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Decree pursuant to Section XIV (Dispute Resolution) or entering, partially terminating, or

terminating orders modifying this Decree, or otherwise effectuating or enforcing compliance with the terms of this Consent Decree.

XXIV. MODIFICATION

124. The terms of this Consent Decree, including any Attachments, may be modified only by a subsequent written agreement of the Parties. With respect to any modification that constitutes a material change to this Consent Decree, such written agreement shall be filed with the Bankruptcy Court and effective only upon the Bankruptcy Court's approval. Any modification of the SOW or of a reporting requirement of this Consent Decree shall be deemed a non-material modification. Any disputes concerning modification of this Decree shall be resolved pursuant to Section XIV of this Consent Decree (Dispute Resolution).

XXV. PUBLIC PARTICIPATION

125. This Consent Decree shall be lodged with the Court for a period of not less than thirty Days for public notice and comment in accordance with 28 C.F.R. § 50.7. The United States and Vermont reserve their rights to withdraw or withhold their respective consent if the comments regarding the Consent Decree disclose facts or considerations indicating that the Consent Decree is inappropriate, improper, or inadequate. G-I consents to entry of this Consent Decree without further notice and agrees not to withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision of the Consent Decree.

XXVI. SIGNATORIES/SERVICE

126. Each undersigned representative certifies that he or she is fully authorized to enter into this Consent Decree and to execute and legally bind the Party he or she represents to the terms and conditions of this document. G-I represents that it has authority to legally obligate any

of its corporate subsidiaries or affiliates to take all actions necessary to comply with the provisions of this Consent Decree.

127. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. The parties agree to accept service of process by mail pursuant to the provisions of Section XX (Notices) with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

XXVII. INTEGRATION

128. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement of matters addressed in this Consent Decree, and supersedes all prior agreements and understandings, whether oral or written, concerning such matters, provided, however, that nothing in this Consent Decree shall be interpreted as superseding any other Consent Decree or judicially-approved settlement to which G-I is a party that was entered prior to the Lodging Date. Other than the Attachments listed in Section XXX (Attachments), which are attached to and incorporated in this Decree, and deliverables that are subsequently submitted and approved pursuant to this Decree, no other document, representation, inducement, agreement, understanding, or promise constitutes any part of this Decree or the settlement it memorializes, nor shall evidence of any such document, representation, inducement, agreement, understanding, or promise be used in construing the terms of this Decree.

XXVIII. FINAL JUDGMENT

129. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the United States, the State of Vermont, and G-I. If this Consent Decree is not entered by the Court for any reason, the United States reserves all rights to injunctive relief, and the Parties reserve all other rights, remedies, and defenses.

**XXIX. TERMINATION OF INJUNCTIVE RELIEF
PROVISIONS**

130. Section V of this Consent Decree, (“CAA and RCRA Injunctive Relief at the VAG Site,”) shall terminate at the earliest of (i) the completion by the Trust of the Work, (ii) the exhaustion of the cost caps set forth in Paragraph 10, or (iii) the conclusion of Settlement Year Nine.

131. If the Trustee believes that the requirements of Section V have been completed in a satisfactory manner or that all applicable cost caps have been exhausted, it may serve upon the United States a Request for Termination of Section V of this Consent Decree along with a written certification that it has met the applicable Section V requirements or that all applicable cost caps have been exhausted.

132. Following receipt by the United States of the Trustee’s Request for Termination, the Parties shall confer informally concerning the Request and any disagreement as to whether the Trust has satisfactorily complied with the requirements for termination. If the United States, in consultation with Vermont, agrees that the Section V may be terminated, the Parties shall submit, for the Court’s approval, a joint stipulation terminating Section V of this Consent Decree.

133. If not terminated earlier pursuant to Paragraph 132, G-I or the Trustee may make a motion at any time after the end of Settlement Year Nine for the termination of Section V of

this Consent Decree. If EPA or Vermont fails to file an objection within 30 days of service of a motion for termination of Section V pursuant to this Paragraph, then EPA and Vermont shall be deemed to consent to the termination of Section V, and the Court may terminate that portion of this Consent Decree without further notice to EPA or Vermont

XXX. ATTACHMENTS

134. The following Attachments are attached to and incorporated into this Consent Decree and are made binding and enforceable as if fully set forth herein:

Attachment #1 – Site Inventory
Attachment #2 – VAG Statement of Work (“SOW”)
Attachment #3 – VAG Site Map
Attachment #4 – Custodial Trust Agreement
Attachment #5 – List of G-I Affiliates
Attachment #6 – Assumption of Liability Agreement
Attachment #7--List of Additional Sites

Dated and Entered this _____ day of _____, 2009

Hon. Rosemary Gambardella
UNITED STATES BANKRUPTCY JUDGE
District of New Jersey

JOHN C. CRUDEN
Acting Assistant Attorney General
Environmental and Natural Resources Division

DIANNE M. SHAWLEY
DAVID L. GORDON
ALAN TENENBAUM
Attorneys
Environmental Enforcement Section
Environmental and Natural
Resources Division
U.S. Department of Justice
P.O. Box 7611
Washington, DC 20044-7611
(202) 514-0096
dianne.shawley@usdoj.gov
david.l.gordon@usdoj.gov
alan.tenenbaum@usdoj.gov

[TBD]
United States Attorney
District of New Jersey

ANTHONY LABRUNA
Assistant United States Attorney
District of New Jersey
970 Broad Street
Newark, New Jersey 07102

Of Counsel:

Gretchen Muench
Sarah Meeks
Enforcement Counsel
Office of Environmental Stewardship
U.S. Environmental Protection Agency
Region 1
One Congress Street
Suite 1100 (SES)
Boston, MA 02144

Amy L. Horner
Attorney-Advisor
U.S. Department of the Interior
Environmental Restoration Branch
1849 C. Street, NW
MS 2266
Washington, DC 20240.

CONFIDENTIAL SETTLEMENT MATERIAL
SUBJECT TO FED. R. EVID. 408

JOINT DRAFT NO. 1

[Insert Vermont and G-I signature blocks]